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PHONE NUMBER: 703-308-1202  
COMPANY/FIRM: U.S. Patent & Trademark Office

FROM: Davy E. Zoneraich, Esq.  
Client/Matter Name:  
Client/Matter Number: 102916-2US, U.S. Appln. No. 09/469,834

**MESSAGE:**

Per your instructions, enclosed is a copy of REVOCATION OF POWER OF ATTORNEY AND NEW APPT. OF ATTORNEY; STATEMENT UNDER 37 CFR 3.73(b) WITH ATTACHED COPY OF ASSIGNMENT AND RECORDATION COVER SHEET; POST CARD which was submitted on 10/31/03. Please enter this into the application. The Examiner on this case has advised that the file wrapper history does not reflect the filing of these documents.

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9087579606 P.02/02

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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

REVOCATION OF POWER OF ATTORNEY and

NEW APPOINTMENT OF ATTORNEY

Docket No.102916-2

Name of Applicant: HUGHES, Trevor

Address of Applicant: Tacit Networks, 4041 M Hadley Rd South Plainfield, NJ 07080

Title: NETWORKED COMPUTER SYSTEMS

Serial No., if Any: 09/469,834

Filed: December 22, 1999

TO THE COMMISSIONER FOR PATENTS

Commissioner for Patents

P.O. Box 1450

Alexandria VA 22313-1450

Honorable Sir:

*I hereby revoke the Power of Attorney given to:*

Ducas Morris LLP  
Attention: William H. Murray  
One Liberty Place  
1650 Market Street  
Philadelphia, PA 19103-7396

*And I hereby appoint:*

Andrew N. Farfanak, Reg. No. 32,431  
Lonimer P. Brooks, Reg. No. 15,155  
William C. Gerstenzang, Reg. No. 27,552  
Bruce S. Landa Reg. No. 33,531  
Kun. G. Briscoe, Reg. No. 33,141  
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William R. Robinson, Reg. No. 27,224  
Davy E. Zonarsich, Reg. No. 37,267  
Mark A. Montana, Reg. No. 44,948

All of:

Norris, McLaughlin & Marcus  
721 Route 202-206  
Bridgewater, NJ 08807

Dated: 10/29/03

By:

  
Trevor Hughes  
Authorized Representative of Assignee  
Tacit Networks, Inc.

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PTO/SB/86 (08-03)

Approved for use through 07/31/2008. OMB 0851-0031  
Patent and Trademark Office, U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

**STATEMENT UNDER 37 CFR 3.73(b)**Applicant/Patent Owner: Tacit Networks, Inc.Application No./Patent No.: 09/469,834Filed/Issue Date: December 22, 1999Entitled: Networked Computer SystemTacit Networks, Inc.a Corporation

(Name of Assignee)

(Type of Assignee, e.g., corporation, partnership, university, government agency, etc.)

states that it is:

1. ☒ the assignee of the entire right, title, and interest; or
2. ☐ an assignee of less than the entire right, title and interest.  
The extent (by, percentage) of its ownership interest is \_\_\_\_\_ %  
in the patent application/patent identified above by virtue of either:

A. ☐ An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel \_\_\_\_\_, Frame \_\_\_\_\_, or for which a copy thereof is attached.

OR

B. ☒ A chain of title from the inventor(s) of the patent application/patent identified above, to the current assignee as shown below:

1. From: Trevor Hughes To: Tacitus Systems, Inc.  
The document was recorded in the United States Patent and Trademark Office at  
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2. From: Tacitus Systems, Inc. To: Tacit Networks, Inc.  
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Reel unknown, Frame unknown, or for which a copy thereof is attached.
3. From: \_\_\_\_\_ To: \_\_\_\_\_  
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☐ Additional documents in the chain of title are listed on a supplemental sheet.

☒ Copies of assignments or other documents in the chain of title are attached.

[NOTE: A separate copy (i.e., the original assignment document or a true copy of the original document) must be submitted to Assignment Division in accordance with 37 CFR Part 3, if the assignment is to be recorded in the records of the USPTO. See MPEP 302.08]

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

10/31/03

Date

908-722-0700

Telephone number

Davy E. Zonerach

Typed or printed name

Davy Zonerach

Signature

Attorney for Assignee

Title

This collection of information is required by 37 CFR 3.73(b). The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETE D FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450

Docket No.: 102916-002

ORM 970-1595 (Modified)  
Rev. 03-01  
MB No. 0651-0027 (exp. 5/31/2002)  
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## 1. Name of conveying party(ies):

Tacitus Systems, Inc.

Additional names(s) of conveying party(ies)

☐ Yes ☒ No

## 3. Nature of conveyance:

- ☐ Assignment ☒ Merger  
☐ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: November 4, 2002

## 2. Name and address of receiving party(ies):

Name: Tacit Networks, Inc.

Address: 4041M Hadley Road

City: South Plainfield State/Prov.: NJ

Country: U.S.A. ZIP: 07080

Additional name(s) &amp; address(es)

☐ Yes ☒ No

## 4. Application number(s) or patent numbers(s):

If this document is being filed together with a new application, the execution date of the application is: \_\_\_\_\_

Patent Application No. Filing date

09/469,834

12/22/99

B. Patent No.(s)

Additional numbers

☐ Yes ☒ No

## 5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Davy E. Zoneraich

Registration No. 37,267

Address: P.O. Box 1018

City: Somerville State/Prov.: NJ

Country: U.S.A. ZIP: 08876

## 6. Total number of applications and patents involved:

1

## 7. Total fee (37 CFR 3.41):.....\$ 40.00

☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account☐ Authorized to be charged to deposit account

## 8. Deposit account number:

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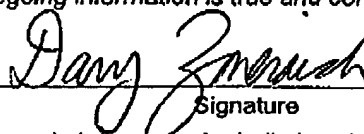
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## 9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Davy E. Zoneraich

Name of Person Signing



Signature

October 31, 2003

Date

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Total number of pages including cover sheet, attachments, and

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Director of the United States Patent and Trademark Office

**AGREEMENT AND PLAN OF MERGER**

**by and among**

**TACIT NETWORKS, INC.,**

**TACITUS SYSTEMS, INC.,**

**IRIC S. COHEN,**

**ERIC D. ALPERT,**

**TIMOTHY WILLIAMS**

**and**

**RICHARD TREVOR HUGHES**

**November 4, 2002**

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#583199 v5

## AGREEMENT AND PLAN OF MERGER

**THIS AGREEMENT AND PLAN OF MERGER** (this "Agreement") is made as of November 4, 2002, by and among TACIT NETWORKS, INC., a Delaware corporation ("Acquiror"), TACITUS SYSTEMS, INC., a New Jersey corporation ("Acquiree"), Iric S. Cohen, an individual ("Cohen"), Eric D. Albert, an individual ("Alpert"), Timothy Williams, an individual ("Williams") and Richard Trevor Hughes, an individual ("Hughes" and together with Cohen, Alpert and Williams, the "Stockholders"). Certain capitalized terms used herein are used with the meanings provided in Section 7.1 hereof and elsewhere in this Agreement.

### WITNESSETH:

**WHEREAS**, the respective Boards of Directors of Acquiror and Acquiree have approved this Agreement, the merger of Acquiree into Acquiror (the "Merger") upon the terms and subject to the conditions set forth in this Agreement and the other transactions contemplated hereby in accordance with the provisions of the Delaware General Corporation Law (the "DGCL") and the New Jersey Business Corporation Act (the "NJBCA"); and

**WHEREAS**, Acquiror, Acquiree and the Stockholders desire to make certain representations, warranties, covenants and agreements in connection with the Merger; and

**WHEREAS**, Acquiror, Acquiree and the Stockholders intend that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the parties hereby agree as follows:

### ARTICLE I

#### THE MERGER

1.1 **The Merger.** Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the provisions of the DGCL and the NJBCA, Acquiree shall be merged with and into Acquiror at the Effective Time (as defined in Section 1.3). Following the Effective Time, the separate corporate existence of Acquiree shall cease and Acquiror shall continue as the surviving corporation (the "Surviving Corporation") and shall succeed to and assume all of the rights and obligations of Acquiree in accordance with the DGCL and the NJBCA.

1.2 **Closing.** The closing of the Merger will take place at 10:00 a.m. on a date to be specified by Acquiror (the "Closing Date"), at the offices of Sills, Cummis, Radin, Tischman, Epstein & Gross, P.A., One Riverfront Plaza, Newark, New Jersey 07102, unless another date, time or place is agreed to in writing by the parties hereto.

**1.3 Effective Time.** Subject to the provisions of this Agreement, as soon as practicable on or after the Closing Date, the parties shall file certificates of merger or other appropriate documents (in any such case, the "Certificates of Merger") executed in accordance with the relevant provisions of the DGCL and the NJBCA and shall make all other filings or recordings required under the DGCL or the NJBCA. The Merger shall become effective at such time as the Certificates of Merger are filed with the Delaware Secretary of State and the New Jersey Secretary of State or at such other time as Acquiror and Acquiree shall agree should be specified in the Certificates of Merger in accordance with the DGCL and NJBCA (the time the Merger becomes effective being hereinafter referred to as the "Effective Time").

**1.4 Effects of the Merger.** The Merger shall have the effects set forth in Section 259 of the DGCL and Section 14A: 10-7 of the NJBCA.

**1.5 Certificate of Incorporation and By-Laws.**

(a) The Certificate of Incorporation of Acquiror, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

(b) The By-laws of Acquiror, as in effect immediately prior to the Effective Time, shall be the By-laws of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

**1.6 Directors.** The directors of Acquiror immediately prior to the Effective Time shall be the directors of the Surviving Corporation, until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

**1.7 Officers.** The officers of Acquiror immediately prior to the Effective Time shall be the officers of the Surviving Corporation, until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

**1.8 Effect on Capital Stock.** Subject to the terms and conditions of this Agreement and the Certificate of Merger, as of the Effective Time, by virtue of the Merger and without any action on the part of Acquiror, Acquiree or the holders of any securities of Acquiror or Acquiree:

(a) Each issued and outstanding share of common stock, par value \$0.001 per share, of Acquiree (each an "Acquiree Share" and collectively, the "Acquiree Shares") shall be converted into one fully paid and nonassessable share of common stock, par value \$0.001 per share, of Acquiror ("each an "Acquiror Share" and collectively, the "Acquiror Shares") (the "Merger Consideration"). As of the Effective Time, all such Acquiree Shares shall no longer be outstanding and shall automatically be canceled and retired and each holder of a certificate representing any such Acquiree Shares shall cease to have any rights with respect thereto, except the right to receive Acquiror Shares to be issued in consideration therefor upon surrender of such certificate in accordance with Section 1.9.

(b) The Acquiree 2000 Equity Incentive Plan (the "Acquiree Stock Option Plan") and each option granted thereunder to acquire Acquiree Shares (each, an "Acquiree Option") and outstanding immediately prior to the Effective Time shall be assumed by Acquiror

in accordance with Section 4.1 and thereafter each such Acquire Option shall constitute the right to receive an option to purchase a number of Acquiror Shares equal to the number of Acquiree Shares for which such Acquiree Option was exercisable immediately prior to the Effective Time.

(c) Each Acquiror Share that is owned by Acquiree shall automatically be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

**1.9 Exchange Procedures.** Promptly after the Effective Time, the Surviving Corporation shall communicate to each holder of record of a certificate or certificates that immediately prior to the Effective Time represented Acquiree Shares (the "Certificates") instructions for effecting the surrender of the Certificates in exchange for the Merger Consideration. Upon surrender of a Certificate for cancellation to Acquiror or to such agent or agents as may be appointed by Acquiror, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by Acquiror, the holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing the number of shares of Acquiror Common Stock into which the Acquiree Shares represented by the surrendered Certificate or Certificates were converted by virtue of the Merger, and the Certificate so surrendered shall forthwith be cancelled. Until surrendered as contemplated by this Section 1.9, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive, upon surrender in accordance with the procedures set forth in this Section 1.9, Acquiror Shares.

**1.10 Dividends; Distributions.** No dividends or distributions that are declared on the Acquiror Shares will be paid to persons entitled to receive certificates representing Acquiror Shares until such persons surrender their Certificates. Upon such surrender, there shall be paid to the person in whose name the certificates representing such Acquiror Shares shall be issued, any dividends or distributions with respect to such Acquiror Shares which have a record date on or after the Effective Time and shall have become payable between the Effective Time and the time of such surrender. In no event shall the person entitled to receive such dividends or distributions be entitled to receive interest on such distributions or dividends.

**1.11 No Further Ownership Rights in Acquiree Shares.** All Acquiror Shares issued upon the surrender for exchange of Acquiree Shares in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such Acquiree Shares, subject, however, to Acquiror's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which may have been declared or made by Acquiree on such Acquiree Shares in accordance with the terms of this Agreement or prior to the date of this Agreement and which remain unpaid at the Effective Time.

**1.12 Closing of the Acquiree Transfer Books.** At the Effective Time, the stock transfer books of Acquiree shall be closed and no transfer of Acquiree Shares shall thereafter be made. If, after the Effective Time, Certificates are presented to Acquiror, they shall be cancelled and exchanged as provided in this Article I.

**1.13 No Liability.** Neither Acquiror nor Acquiree shall be liable to any person in respect of any Acquiror Shares (or dividends or distributions with respect thereto) delivered to a public official pursuant to any abandoned property, escheat or similar law.

**1.14 Lost Certificates.** If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if required by Acquiror, the posting by such person of a bond in such reasonable amount as Acquiror may direct as indemnity against any claim that may be made against it with respect to such Certificate, Acquiror will issue in exchange for such lost, stolen or destroyed Certificate the Acquiror Shares and unpaid dividends and distributions on the Acquiror Shares deliverable in respect thereof, pursuant to this Agreement.

**1.15 Further Assurances.** Each of Acquiror and Acquiree will take all such reasonable and lawful action as may be necessary or appropriate in order to effectuate the Merger in accordance with this Agreement as promptly as possible. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of Acquiree acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of Acquiree, all such deeds, bills of sale, assignments and assurances and to take and do, in such names and on such behalf, all such other actions and things as may be reasonably necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out the purposes of this Agreement.

## ARTICLE II

### **REPRESENTATIONS AND WARRANTIES OF ACQUIREE AND THE STOCKHOLDERS**

Except as set forth in the Schedules and Exhibits hereto, Acquiree and, subject to the limitations set forth in Section 6.4 below, the Stockholders hereby severally and not jointly represent and warrant to Acquiror that:

**2.1 Title to Assets.** Except as set forth on Schedule 2.1, Acquiree has good, valid and marketable title to its properties and assets, free and clear of all mortgages, liens, loans, charges and encumbrances. With respect to the property and assets leased by Acquiree, Acquiree is in substantial compliance with such leases, such leases are valid and enforceable and are in full force and effect, and, except as set forth on Schedule 2.1, Acquiree holds a valid leasehold interest free of any liens, claims or encumbrances.

## **2.2 Capitalization; Subsidiaries.**

(a) The authorized capital stock of Acquiree consists of 70,000,000 Acquiree Shares and 30,000,000 shares of preferred stock, par value \$0.001 per share ("Acquiree Preferred Stock"). As of the date hereof, 23,586,770 Acquiree Shares are issued and outstanding and no shares of Acquiree Preferred Stock are issued and outstanding. As of the date hereof, 50,960,000 Acquiree Shares are reserved for issuance pursuant to the Acquiree Stock Option Plan. Except as set forth on Schedule 2.2 hereto, the issued and outstanding Acquiree Shares have been duly authorized and validly issued and are fully paid, nonassessable and free of statutory preemptive rights and contractual stockholder preemptive rights, with no personal liability attaching to the ownership thereof, and have been issued in compliance with applicable securities laws. Except as set forth on Schedule 2.2 hereto, Acquiree does not have and is not bound by any outstanding subscriptions, options, voting trusts, convertible securities, warrants, calls, commitments or agreements of any character or kind calling for the purchase, issuance or grant of any additional shares of its capital stock or restricting the transfer of its capital stock.

(b) Acquiree does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, limited liability company, association or other business entity, nor is Acquiree a participant in any joint venture, partnership or similar arrangement.

**2.3 Organization.** Acquiree is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey. Acquiree has the requisite power and authority to own the assets owned by it and to carry on the business of Acquiree as now being conducted. Acquiree has heretofore delivered to Acquiror true and complete copies of the certificate of incorporation, bylaws and stock record book of Acquiree, in each case, as amended or required to be updated through the date of this Agreement.

**2.4 Authority.** Acquiree has all corporate and other power and authority and each Stockholder has the legal capacity to execute this Agreement and any other agreements to be entered into by Acquiree and the Stockholders pursuant hereto and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Acquiree of this Agreement and the Ancillary Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action, or, in the case of such Ancillary Documents, will be authorized by all necessary corporate action prior to the Effective Time. This Agreement has been duly executed and delivered by Acquiree and each Stockholder and constitutes, and each Ancillary Document to be entered into by Acquiree and the Stockholders will be duly executed and delivered at or prior to the Effective Time and when so executed and delivered will constitute, their legal, valid and binding obligation enforceable against each of them in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding therefor may be brought. Except as set forth on Schedule 2.4, the execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby and the compliance with the terms hereof will not (i) violate any law, judgment, order, decree, statute, ordinance, rule and regulation applicable to Acquiree or either Stockholder,

(ii) conflict with any provision of Acquiree's certificate of incorporation or by-laws, (iii) conflict with any material contract to which Acquiree or either Stockholder is a party or by which it or any of its property is bound or (iv) require any material consent, approval, order or authorization of, or the registration, declaration or filing with, (A) any Government Authority or (B) any individual, corporation, partnership, joint venture, trust, business association or other entity or Person.

**2.5 Financial Statements.** Schedule 2.5 sets forth the unaudited balance sheets and statements of cash flows and profit and loss of Acquiree for the ten (10) month period ended October 29, 2002 (the "Financial Statements"). Except as set forth on Schedule 2.5, the Financial Statements are correct in all material respects and present fairly the financial condition of Acquiree as of the date and for the period therein indicated.

**2.6 Compliance with Applicable Laws.**

(a) Except as set forth on Schedule 2.6(a): (i) Acquiree has complied in all material respects with all laws, regulations, rules and orders of all Governmental Authorities applicable to it (other than environmental and occupational safety and health laws covered in Section 2.6(b)), except where the failure to so comply will not nor reasonably be expected to have a material adverse effect on the business, or financial condition of Acquiree; (ii) Acquiree has not received any written notice of any asserted violation of any such laws, regulations, rules or orders; and (iii) Acquiree has not received any written notice that any investigation or review by any Government Authority with respect to Acquiree is pending or that any such investigation or review is contemplated.

(b) To Acquiree's knowledge, Acquiree is not in violation of any statute, law or regulation applicable to them relating to the environment or occupational health and safety (collectively, the "Environmental Laws"), and to its knowledge, no material expenditures are or will be required in order to comply with any such existing statute, law or regulation. No Hazardous Materials (as defined below) are used or have been used, stored, or disposed of by Acquiree or, to its knowledge, by any other person or entity on any property owned, leased or used by Acquiree. For the purposes of the preceding sentence, "Hazardous Materials" shall mean (a) materials which are listed or otherwise defined as "hazardous" or "toxic" under any applicable local, state, federal and/or foreign laws and regulations that govern the existence and/or remedy of contamination on property, the protection of the environment from contamination, the control of hazardous wastes, or other activities involving hazardous substances, including building materials or (b) any petroleum products or nuclear materials.

**2.7 Litigation; Decrees.** Schedule 2.7 sets forth a list of certain lawsuits, claims, actions and proceedings. Except as set forth in Schedule 2.7, there is no suit, action or proceeding pending, against or affecting Acquiree or the transactions contemplated hereby. To the best knowledge of Acquiree and the Stockholders (after due inquiry reasonable under the circumstances), there is no suit, action, or proceeding threatened against Acquiree or the Stockholders relating to Acquiree or this Agreement that is reasonably likely to be adversely determined and that if adversely determined would have a material adverse effect on the business or financial condition of Acquiree or the Stockholders or the ability of Acquiree to consummate the transactions contemplated hereby. Acquiree is not in default under any material judgment,

order, injunction, rule, or decree of any Government Authority or arbitrator relating to Acquiree or any of its assets.

**2.8 Acquiree Stockholders are Accredited Investors.** Each Person who holds Acquiree Shares is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended (an "Accredited Investor"). Each such holder of Acquiree Shares is an investor in securities of companies in the development stage and has acknowledged in writing to Acquiree that it/he/she is able to fend for it/he/herself, can bear the economic risk of its/his/her investment (including a total loss of such investment) and has such knowledge and experience in financial or business matters that it/he/she is capable of evaluating the merits and risks of the investment in the Acquiree Shares.

**2.9 Proprietary Rights.**

(a) Acquiree owns, has licensed or otherwise possesses all patents, copyrights, trademarks, trade names, domain names, trade secrets, including computer software programs and other proprietary data and other intellectual property rights necessary to conduct its business as currently conducted (the "Proprietary Information"), without any infringement of any intellectual property or other rights of others.

(b) Acquiree has taken all reasonably appropriate security measures to protect the secrecy, confidentiality and value of all trade secrets, know-how, inventions, designs, processes and technical data required to conduct its business. All technical information developed by and belonging to Acquiree and material to its business that has not been patented has been maintained confidential. Except as set forth on Schedule 2.9(b) and for agreements with its own employees or consultants, there are no outstanding options, licenses or other similar agreements relating to the Proprietary Information, nor is Acquiree bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other person or entity. Except as set forth on Schedule 2.9(b), Acquiree has not received any communications alleging that it has violated any of the patents, trademarks, service marks, trade names, domain names, copyrights or trade secrets or other proprietary rights of any other person or entity. Acquiree is not aware of any violation by a third party of any of its patents, licenses, trademarks, trade names, domain names, service marks, copyrights, trade secrets or other proprietary rights. Acquiree has the right to use the Proprietary Information, except that the possibility exists that other persons may have independently developed trade secrets or technical information similar or identical to those of or acquired by Acquiree (although Acquiree has no such knowledge).

(c) Acquiree is not aware that any of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement or is subject to any judgment, decree or order of any court or administrative agency that conflicts with Acquiree's business as currently conducted. To Acquiree's knowledge, after due inquiry reasonable under the circumstances, neither the execution nor delivery of this Agreement nor the carrying on of Acquiree's business as currently conducted by the employees of Acquiree will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any material contract, covenant or instrument under which any of such employees is now



obligated. To Acquiree's knowledge, after due inquiry reasonable under the circumstances, none of Acquiree's officers or key employees, in such key employee or officer's capacity as an employee or officer of Acquiree, has improperly used or is making improper use of any confidential information or trade secrets of others, including those of any former employer of such officer or key employee.

**2.10 Development and Marketing Rights.** Acquiree has not granted any rights to develop, produce, assemble, license, distribute, market, or sell its products to any other person, and Acquiree is not bound by any agreement that affects Acquiree's exclusive right to develop, produce, assemble, license, distribute, market, or sell their products.

**2.11 Governmental Consents.** No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of Acquiree is required in connection with the consummation of the transactions contemplated by this Agreement or in connection with the performance by Acquiree of any of its obligations hereunder.

**2.12 Absence of Certain Changes or Events.** Schedule 2.12 contains a true, correct and complete list and description of all of the contractual obligations to which Acquiree is a party or by which it is bound that involve (i) obligations (contingent or otherwise) of, or payments to, Acquiree in an amount exceeding \$10,000 during any calendar year period; (ii) the license of any patent, copyright, trade secret or any other proprietary right material to Acquiree's business, to or from Acquiree; (iii) provisions materially restricting the development, manufacture or distribution of Acquiree's products or services, (iv) any obligation material to the business of Acquiree that cannot be terminated, without interest or other penalty, upon thirty (30) days' notice; or (v) any other obligation that is otherwise material to Acquiree's business, financial condition, assets, properties, prospects or result of operations (collectively, the "Material Contracts"). Each Material Contract is a valid and binding agreement of Acquiree, enforceable against Acquiree in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors, rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity)). Acquiree has fulfilled all obligations required pursuant to each Material Contract to have been performed by it. Except as set forth on Schedule 2.12, Acquiree is not in default or breach, nor to its knowledge is any third party in default or breach, under or with respect to any Material Contract.

**2.13 No conflict of Interest.**

(a) There are no agreements, understandings or proposed transactions between Acquiree on the one hand, and any of its officers or directors on the other hand.

(b) Except as set out on Schedule 2.13(b), Acquiree is not indebted, directly or indirectly, to any of its officers or directors, or to such officers' or directors' respective spouses or children, in any amount whatsoever other than in connection with expenses or advances of expenses, if any, incurred in the ordinary course of business. None of Acquiree's officers or directors, nor any members of their immediate families, is, directly or indirectly,

indebted to Acquiree. No member of the immediate family of any officer or director of Acquiree is directly or indirectly interested in any material contract with Acquiree.

(c) To Acquiree's knowledge, none of the officers, directors, and key employees of Acquiree are obligated under any contract (including licenses, covenants, or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court of administrative agency that would conflict with his or her best efforts to promote the interests of Acquiree or that would conflict with the business of Acquiree as presently, or proposed to be, conducted.

**2.14 Tax Returns.** All tax returns, declarations, statements, reports, schedules, forms and information returns ("Returns") required by all U.S. federal, state and local and foreign jurisdictions (in each case, including all political subdivisions thereof) relating to all U.S. federal, state and local and foreign taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable thereto ("Taxes"), if any, required to be filed by Acquiree prior to the Closing Date have been (or will be) timely filed, and such Returns are (or will be) true, complete and correct in all material respects. Acquiree has never had any tax deficiency proposed or assessed against it, nor has it executed any waiver of any statute of limitations on the assessment or collection of any tax or governmental charge. None of Acquiree's federal income tax returns and none of Acquiree's state income or franchise tax or sales or use tax returns has ever been audited by governmental authorities.

**2.15 Employees.**

(a) There is no strike, labor dispute or union organization activities pending with respect to or, to Acquiree's knowledge, threatened against Acquiree. Acquiree is not a party to any collective bargaining agreements covering any of its employees. None of Acquiree's employees belong to any union or collective bargaining unit.

(b) Except as set forth on Schedule 2.15(b), Acquiree is not party to or bound by any currently effective employment contract, deferred compensation agreement, bonus plan, incentive plan, profit sharing plan, retirement agreement or other employee compensation agreement, except the Acquiree Stock Option Plan, restricted stock purchase agreements and offer letters in the ordinary course of business. Acquiree is not aware that any officer or key employee, or that any group of key employees, intends to terminate his, her or their employment with Acquiree, nor does Acquiree have a present intention to terminate the employment of any of the foregoing.

**2.16 Assignment of Inventions and Non-Disclosure Agreements.** Except as set forth on Schedule 2.16, each current employee and officer of Acquiree and each consultant retained by Acquiree (other than Acquiree's administrative or support staff) has executed Acquiree's standard form Assignment of Inventions and Non-Disclosure Agreement.

**2.17 Qualified Small Business Stock.** As of the Closing Date: (i) Acquiree will be an eligible corporation as defined in Section 1202(e)(4) of the Code, (ii) Acquiree will not have made any purchases of its own stock during the one-year period preceding the Closing Date

having an aggregate value exceeding 5% of the aggregate value of all its stock as of the beginning of such period and (iii) Acquiree's aggregate gross assets, as defined by Code Section 1202(d)(2), at no time between Acquiree's inception and through the Closing Date have exceeded or will exceed \$50 million, taking into account the assets of any corporations required to be aggregated with Acquiree in accordance with Code Section 1202(d)(3).

**2.18 Insurance.** Acquiree maintains insurance coverage as to its properties and business sufficient for compliance by Acquiree with all requirements of applicable law and all agreements and leases to which it is a party, except for such noncompliance as would not have a material adverse effect on the business or financial condition of Acquiree. To Acquiree's knowledge, the foregoing insurance coverage is of the type and in amounts customarily carried by persons conducting business similar to that conducted by Acquiree.

**2.19 Real Property.** Acquiree does not own any real property.

**2.20 Brokers or Finders.** Acquiree has not incurred, and will not incur, directly or indirectly, as a result of any action taken by Acquiree, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF ACQUIROR

Acquiror hereby represents and warrants to Acquiree and the Stockholders that:

**3.1 Capitalization.** The authorized capital stock of Acquiror consists of 250,000,000 Acquiror Shares and 290,000,000 shares of preferred stock, par value \$0.001 per share ("Acquiror Preferred Stock"). As of the date hereof, 100 Acquiror Shares are issued and outstanding and owned legally and beneficially by Acquiree and no shares of Acquiror Preferred Stock are issued and outstanding. When issued in connection with the Merger, the Acquiror Shares to be so issued will have been duly authorized and validly issued and will be fully paid, nonassessable and free of statutory preemptive rights and contractual stockholder preemptive rights, with no personal liability attaching to the ownership thereof, and, assuming the accuracy of the representation of Acquiree set forth in Section 2.8 at the time of issuance, will have been issued in compliance with applicable securities laws. Acquiror does not have and is not bound by any outstanding subscriptions, options, voting trusts, convertible securities, warrants, calls, commitments or agreements of any character or kind calling for the purchase, issuance or grant of any additional shares of its capital stock or restricting the transfer of its capital stock.

**3.2 Organization.** Acquiror is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Acquiror has the requisite power and authority to own the assets owned by it. Acquiror has heretofore delivered to Acquiree true and complete copies of the certificate of incorporation, bylaws and stock record book of Acquiror, in each case, as amended or required to be updated through the date of this Agreement.

**3.3 Authority.** Acquiror has all corporate and other power, authority and legal capacity to execute this Agreement and any other agreements to be entered into by Acquiror pursuant hereto and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Acquiror of this Agreement and the Ancillary Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action, or, in the case of such Ancillary Documents, will be authorized by all necessary corporate action prior to the Effective Time. This Agreement has been duly executed and delivered by Acquiror and constitutes, and each Ancillary Document to be entered into by Acquiror will be duly executed and delivered at or prior to the Effective Time and when so executed and delivered will constitute, its legal, valid and binding obligation enforceable against Acquiror in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding therefor may be brought. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby and the compliance with the terms hereof will not (i) violate any law, judgment, order, decree, statute, ordinance, rule and regulation applicable to Acquiror, (ii) conflict with any provision of Acquiror's certificate of incorporation or by-laws, (iii) conflict with any material contract to which Acquiror is a party or by which it or any of its assets is bound or (iv) require any material consent, approval, order or authorization of, or the registration, declaration or filing with, (A) any Government Authority or (B) any individual, corporation, partnership, joint venture, trust, business association or other entity or Person.

#### ARTICLE IV

#### ADDITIONAL AGREEMENTS

##### **4.1 Stock Options.**

(a) **Assumption of Stock Options.** At the Effective Time, each outstanding Acquiree Option that is then outstanding, whether or not exercisable at the Effective Time and regardless of the respective exercise prices thereof, shall cease to represent a right to acquire Acquiree Shares and shall be converted, at the Effective Time, into an option to acquire Acquiror Shares, and the Acquiree Stock Option Plan and the Acquiree Options shall be assumed by Acquiror as provided in this Section 4.1. Each Acquiree Option so assumed by Acquiror under this Agreement will continue to have, and be subject to, the same terms and conditions set forth in the Acquiree Stock Option Plan (and any applicable stock option agreement for such Acquiree Option) immediately prior to the Effective Time (including any repurchase rights or vesting provisions), except that (i) each Acquiree Option will be exercisable (or will become exercisable in accordance with its terms) for that number of whole Acquiror Shares, equal to the number of Acquiree Shares that were issuable upon exercise of such Acquiree Option immediately prior to the Effective Time and (ii) the per share exercise price for the Acquiror Shares issuable upon exercise of such assumed Acquiree Option will be equal to the exercise price per Acquiree Share at which such Acquiree Option was exercisable immediately prior to the Closing Date.

(b) **Incentive Stock Options.** To the extent any Acquiree Option qualified as an incentive stock option pursuant to Section 422 of the Code immediately prior to the Effective

Time, such Acquiree Option shall be assumed in a manner so as to maintain its status as an incentive stock option.

**4.2 Tax Matters.** For federal income tax purposes, the parties intend that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Code, and that this Agreement constitute a "plan of reorganization" within section 1.368-2(g) of the Income Tax Regulations promulgated under the Code. Neither Acquiree nor Acquiror shall directly or indirectly at any time knowingly take any action or knowingly fail to take any action that would or would be reasonably likely to jeopardize the intended tax treatment of the transactions contemplated hereby.

## ARTICLE V

### CONDITIONS PRECEDENT TO OBLIGATIONS TO CONSUMMATE THE MERGER

**5.1 Conditions to the Obligations of Each Party.** The respective obligations of Acquiree and Acquiror to consummate the Merger are subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) **Legal Proceedings.** No court or Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or order (whether temporary, preliminary or permanent) or taken any other action that prohibits, restricts or makes illegal consummation of the Merger.

(b) **Stockholder Approval.** This Agreement shall have been approved and adopted by the affirmative vote of the holders of all of the outstanding Acquiree Shares and Acquiror Shares.

**5.2 Conditions to the Obligations of Acquiror.** The obligations of Acquiror to consummate the Merger are subject to the satisfaction or waiver on or prior to the Closing Date of the following additional conditions:

(a) **Representations and Warranties.** The representations and warranties made by Acquiree and the Stockholders in this Agreement and the Ancillary Documents attached as Exhibits to this Agreement shall be true, complete and correct in all respects on the Closing Date.

(b) **Performance of Agreements and Covenants.** Each and all of the agreements and covenants of Acquiree and the Stockholders required to be performed and complied with prior to Closing Date pursuant to this Agreement and the Ancillary Documents shall have been duly performed and complied with in all material respects.

(c) **Seller Certificates; Representation Letters.** Acquiree or the Stockholders, as applicable, shall have delivered to Acquiror:

(i) a certificate, dated as of the Closing Date and signed on Acquiree's behalf by its Chief Executive Officer or President confirming that the conditions set forth in Sections 5.2(a) and 5.2(b) have been satisfied; and

(ii) a certificate, dated as of the Closing Date and signed on Acquiree's behalf by its Secretary certifying: (A)(i) its certificate of incorporation, (ii) bylaws, (iii) resolutions of its board of directors and shareholders authorizing the execution, delivery and performance of this Agreement, which resolutions shall be in form and substance reasonably satisfactory to Acquiror, and (B) a good standing certificate dated as of a date reasonably close to the Closing Date of Acquiree issued by the Treasurer of the State of New Jersey.

(iii) a certificate, dated as of the Closing Date and signed by each Stockholder certifying that the conditions set forth in Sections 5.2(a) and 5.2(b) have been satisfied.

(iv) a letter, in form and substance reasonably satisfactory to Acquiror, from each Person who is the holder of Acquiree Shares as of the Closing Date, stating that such Person is an Accredited Investor and containing customary representations in respect of such Person's investment in Acquiror Shares as a result of the Merger.

**5.3 Conditions to the Obligations of Acquiree.** The obligations of Acquiree to consummate the Merger are subject to the satisfaction or waiver on or prior to the Closing Date of the following additional conditions:

(a) **Representations and Warranties.** The representations and warranties made by Acquiror in this Agreement and the Ancillary Documents attached as Exhibits to this Agreement shall be complete and correct in all respects on the Closing Date.

(b) **Performance of Agreements and Covenants.** Each and all of the agreements and covenants of Acquiror to be performed and complied with pursuant to this Agreement and the Ancillary Documents prior to the Closing Date shall have been duly performed and complied with in all material respects.

(c) **Acquiror Certificate.** Acquiror shall have delivered to Acquiree a certificate, dated as of the Closing Date and signed on Acquiree's behalf by its Chief Executive Officer or President, confirming that the conditions set forth in Sections 5.3(a) and 5.3(b) have been satisfied.

## ARTICLE VI

### SURVIVAL; INDEMNIFICATION

#### **6.1 Survival of Acquiror, Acquiree and Stockholder Obligations.**

(a) None of the representations and warranties of Acquiror or Acquiree in this Agreement or any document delivered pursuant hereto shall survive the Effective Time. Neither this Section 6.1(a) nor any other provision of this Agreement shall limit any covenant or agreement of Acquiror, Acquiree or any Stockholder which by its terms contemplates performance after the Effective Time.

(b) The representations and warranties of the Stockholders in this Agreement or any document delivered pursuant hereto shall survive the Effective Time for a period of

eighteen (18) months and shall terminate and be of no further force or effect as of the date eighteen (18) months after the Closing Date.

## **6.2 Stockholder Obligation to Indemnify.**

(a) Subsequent to the Effective Time, each Stockholder, severally and not jointly, shall indemnify and hold harmless Acquiror and its directors, officers, employees, agents, affiliates and assigns (collectively, the "Acquiror Indemnified Persons") from and against all losses, liabilities, damages, deficiencies, costs or expenses, including interest and penalties imposed or assessed by any judicial or administrative body and reasonable attorneys' fees, whether or not arising out of third-party claims and including all amounts paid in investigation, defense or settlement of the foregoing (collectively, "Losses") suffered or incurred by the Acquiror Indemnified Person based upon, arising out of or otherwise in respect of (w) any inaccuracy in or breach of any representation or warranty of Acquiree in this Agreement or in any Ancillary Document, (x) any inaccuracy in or breach of any representation or warranty of any of the Stockholders in this Agreement or in any Ancillary Document, (y) any breach of any covenant or agreement of Acquiree in this Agreement or in any Ancillary Document or (z) any breach of any covenant or agreement of any of the Stockholders in this Agreement or in any Ancillary Document.

(b) No indemnification shall be payable pursuant to Section 6.2(a) with respect to any inaccuracy or breach of any representation or warranty or breach of any covenant or agreement after termination thereof in accordance with Section 6.1, except with respect to claims made prior to such termination pursuant to Section 6.4 but not then resolved (such representation, warranty, covenant or agreement surviving with respect to such claim until resolution of such claim).

## **6.3 Limitations on Stockholder Indemnification.**

(a) The limitations of Sections 6.2(b), 6.3(b) and 6.3(c), with respect to any Stockholder shall not apply in the case of a fraudulent or intentional misrepresentation or breach by such Stockholder.

(b) The indemnification obligations of each Stockholder pursuant to Section 6.2(a) shall be several in proportion to the respective percentages set forth on Schedule 6.3(b) hereto.

(c) Notwithstanding anything to the contrary contained in this Agreement, the aggregate obligation of each Stockholder to satisfy any and all indemnity claims asserted by the Acquiror Indemnified Persons pursuant to Section 6.2(a) shall be limited exclusively to the transfer, conveyance and delivery by such Stockholder to such Acquiror Indemnified Persons of the number of Acquiror Shares listed next to such Stockholder's name on Schedule 6.3(b). For purposes of this Article VI, Acquiror Shares shall, until such time as Acquiror has completed an initial public offering of Acquiror Shares (an "IPO"), be valued at fair market value as determined by the board of directors of Acquiror from time to time. From and after the date on which Acquiror completes an IPO, for purposes of this Article VI, Acquiror Shares shall be valued at the closing price per share of such Acquiror Shares on the trading day immediately

preceding the day on which such shares are cancelled or transferred in satisfaction of any claim for indemnification hereunder.

(d) Notwithstanding anything to the contrary contained in this Agreement, the Acquiror Indemnified Persons shall not be entitled to indemnification hereunder in respect of any Loss arising out of any breach of any representation or warranty made by:

(i) Cohen, Alpert or Hughes in this Agreement, except, to the extent that such Loss is directly attributable to the period prior to January 1, 2002, and such Stockholder had knowledge (after due inquiry reasonable under the circumstances) of the facts or circumstances resulting in the breach of a representation or warranty contained in this Agreement that resulted in such Loss; provided, however, that in the event such Stockholder had, on the date of this Agreement or on the Closing Date, knowledge (after due inquiry reasonable under the circumstances) of any information that made any such representation or warranty materially inaccurate as of the date made, then the limitation contained in this Section 6.3(d)(i) shall not apply to such Stockholder;

(ii) Williams in this Agreement, except, to the extent that such Loss is directly attributable to the period from and after January 1, 2002, and Williams had knowledge (after due inquiry reasonable under the circumstances) of the facts or circumstances resulting in the breach of a representation or warranty contained in this Agreement that resulted in such Loss; provided, however, that in the event any Williams had, on the date of this Agreement or on the Closing Date, knowledge (after due inquiry reasonable under the circumstances) of any information that made any such representation or warranty materially inaccurate as of the date made, then the limitation contained in this Section 6.3(d)(ii) shall not apply to Williams.

#### 6.4 Procedures Relating to Indemnification.

(a) An Acquiror Indemnified Person shall give prompt written notice to the Stockholders of any Loss in respect of which such Acquiror Indemnified Person is seeking indemnification under Section 6.2(a), specifying in reasonable detail the nature of such Loss, the section or sections of this Agreement to which the Loss relates, and the amount of such Loss (or if not then determinable, its best estimates of the amount of such Loss), except that any delay or failure so to notify the Stockholders shall only relieve the Stockholders of their obligations hereunder to the extent, if at all, that they are prejudiced by reason of such delay or failure.

(b) If a Loss is suffered or incurred for or on account or arises from or in connection with any demand, claim, suit, action, cause of action, investigation or inquiry not a party to this Agreement (a "Third Party Claim"), the Stockholders may, at their option, individually or together, assume the defense thereof, including the engagement of counsel reasonably satisfactory to the Acquiror Indemnified Person and the payment of all expenses. The Acquiror Indemnified Person shall have the right to employ separate counsel in such Third Party Claim and participate in such defense thereof, but the fees and expenses of such counsel shall be at the expense of the Acquiror Indemnified Person.; provided, however, that an Acquiror Indemnified Person (together with all other Acquiror Indemnified Persons that can be represented without conflict by one (1) counsel) shall have the right to retain one (1) separate counsel, with the fees and expenses to be paid by the Stockholders, if representation of such



Acquiror Indemnified Person by the counsel retained by the Stockholders would be inappropriate due to actual or potential differing interests between such Acquiror Indemnified Person and any other party represented by such counsel in connection with such Third Party Claim. The Stockholders shall not, without the Acquiror Indemnified Person's prior written consent, settle or compromise any Third Party Claim or consent to the entry of any judgment with respect to any Third Party Claim which would have an adverse effect on the Acquiror Indemnified Person, except that the Stockholders may, without the Acquiror Indemnified Person's prior written consent, compromise or settle any such Third Party Claim or consent to entry of any judgment with respect to any Third Party Claim which requires solely money damages paid by the Stockholders, and which includes as an unconditional term thereof the release by the claimant or plaintiff of the Acquiror Indemnified Person from all liability in respect of such Third Party Claim. If the Stockholder fails to assume the defense of any Third Party Claim promptly after notice thereof, the Acquiror Indemnified Person shall have the right, at the expense of the Stockholders, to undertake the defense, compromise or settlement of such Third Party Claim for the account of the Stockholders. If a Stockholder refuses to pay, in whole or in part, any Loss suffered or incurred for or on account of or arising from or in connection with any Third Party Claim, the matter shall be resolved in accordance with Sections 7.8 and 7.10 hereof.

## ARTICLE VII

### MISCELLANEOUS

7.1 **Definitions.** Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

**"Ancillary Documents"** shall mean this Agreement, and the documents listed in Sections 5.2(c) and 5.3(c).

**"Governmental Authority"** shall mean, collectively, all federal, provincial, state, county, local or other governmental or regulatory courts, tribunals, agencies, authorities, instrumentalities, commissions, boards or bodies having jurisdiction over the parties.

**"Law"** shall mean any code, law (including common law), ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its business including those promulgated, interpreted or enforced by any Governmental Authority.

**"Lien"** shall mean any lien, mortgage, pledge, security interest, lease, levy, charge or other encumbrance, other than Liens for current property Taxes not yet due and payable.

**"Person"** shall mean a natural person or any legal, commercial or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust or business association.

**"Taxes"** shall mean all federal, state, local, foreign, and other income, gross receipts, excise, business and occupation, franchise, real and personal property, sales and use, withholding, social security, unemployment, disability, and other taxes or governmental fees or charges, together with all interest, penalties and additions imposed with respect to such amounts and any obligations under any agreements or arrangements with any other person with respect to such amounts and including any liability for taxes of a predecessor entity.

Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation".

**7.2 Entire Agreement.** This Agreement and the Ancillary Documents constitute the entire agreement among the parties hereto with respect to the transactions contemplated hereunder and supersede all prior arrangements or understandings with respect thereto, written or oral. Nothing in this Agreement expressed or implied, is intended to confer upon any Person, other than the parties hereto or their respective successors, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

**7.3 Amendments.** This Agreement may be amended or modified by a subsequent writing signed by each of the parties hereto.

**7.4 Waivers.** The failure of any party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Agreement. No waiver of any condition or of the breach of any term contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of such condition or breach or a waiver of any other condition or of the breach of any other term of this Agreement. All waivers shall be in writing.

**7.5 Assignment.** Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto (whether by operation of Law or otherwise) without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

**7.6 Notices.** All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by telecopy transmission (if confirmed, with hard copy by mail), by registered or certified mail, postage pre-paid, or by courier or overnight carrier, to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered, if personally delivered or telecopied, one day after delivery to a courier or overnight carrier for next-day-delivery, or three days after deposit in the U.S. mail, postage pre-paid:

**Acquiree:**

Tacitus Systems, Inc.  
2 Worlds Fair Drive  
Somerset, NJ 08873  
Telecopy Number: (732) 805-9950  
Telephone Number: (732) 805-0095  
Attention: President

**Acquiror:**

Tacit Networks, Inc.  
2 Worlds Fair Drive  
Somerset, NJ 08873  
Telecopy Number: (732) 805-9950  
Telephone Number: (732) 805-0095  
Attention: President

**Stockholders:** To each of them at their respective addresses set forth next to their respective names on Schedule 6.3(b).

**7.7 Governing Law.** This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without regard to any applicable principles of conflicts of laws other than as relates to choice of law.

**7.8 Consent to Jurisdiction.** The parties to this Agreement hereby irrevocably agree that any suit, action, proceeding or claim against it arising out of or in any way relating to this Agreement or under or in connection with any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection herewith or arising from any relationship existing in connection with this Agreement, or any judgment entered by any court in respect thereof, may be brought or enforced in the state courts located in Essex County, New Jersey or Federal courts located in New Jersey and each indemnifying party hereby irrevocably waives, to the fullest extent permitted by law, any objection which he may now or hereafter have to the venue of any proceeding brought in New Jersey, and further irrevocably waives any claims that any such proceeding has been brought in an inconvenient forum.

**7.9 Waiver of Jury Trial.** The parties hereto hereby expressly waive any right to a trial by jury in any action or proceeding to enforce or defend any right, power, or remedy under or in connection with this Agreement or under or in connection with any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection herewith or arising from any relationship existing in connection with this Agreement, and agree that any such action shall be tried before a court and not before a jury. The terms and provisions of this Section 7.9 constitute a material inducement for the parties entering into this Agreement.

**7.10 Mediation.** Any party to this Agreement or any Acquiror Indemnified Person that is not a party to this Agreement may elect to settle any dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. If a party elects to

use the procedure set forth in this section, the other party shall participate. The mediation shall occur within thirty (30) days after a party elects mediation, and the location shall be in Essex County, New Jersey. Any pending mediation shall not preclude any party's commencement of litigation hereunder.

**7.11 Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

**7.12 Captions; Articles and Sections.** The captions contained in this Agreement are for reference purposes only and are not part of this Agreement. Unless otherwise indicated, all references to particular Articles or Sections shall mean and refer to the referenced Articles and Sections of this Agreement.

**7.13 Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

*[signature page to follow]*

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by its duly authorized officer as of the day and year first above written.

TACIT NETWORKS, INC.

By:   
Name: Timothy Williams  
Title: President

TACITUS SYSTEMS, INC.

By:   
Name: Timothy Williams  
Title: President

  
ERIC S. COHEN

  
ERIC D. ALPERT

  
TIMOTHY WILLIAMS

  
RICHARD TREVOR HUGHES

**Schedule 6.3(b)**

Timothy Williams 17 Blackpoint Horseshoe Rumson, NJ 07760	12,060,000 shares	49.10%
Eric S. Cohen 6 Forrest Court Mt. Laurel, NJ 08054	8,000,000 shares	32.57%
Eric D. Alpert 2 Bearhead Rd. Medford, NJ 08055	2,000,000 shares	8.15%
Richard Trevor Hughes 77 East Second Street Moorestown, NJ 08057	2,500,000 shares	10.17%